

INVESTMENTS OF BRITISH LIFE OFFICES.

In his inaugural address as president of the Institute of Actuaries, Mr. Frank Bertrand Wyatt, F.I.A., paid special attention to what he termed "the intensely important subject of the principles and practice affecting the Finance of a Life Assurance Company." He regretted that this subject had received too little specific attention from the Institute during the past forty years, and hoped, in view of the vast extent of the interests involved, that the question should now be submitted to the fullest examination and discussion by the members of the Institute. While the principles laid down in Mr. Bailey's classic paper forty years or so ago were sound, modern conditions have arisen that were never contemplated at that time. The necessity of seeking new channels of investment has arisen, and securities of diverse kinds have now to be considered within and beyond the limits of the United Kingdom. "Thirty years ago," Mr. Wyatt stated, "about one-half of the Funds of British Ordinary Offices was invested in mortgages on property, while at the present time the proportion is only about one-quarter, and a not insignificant proportion of such mortgages is on property outside the United Kingdom. I should like to see an essay on the subject of 'The Finance of Life Offices' dealing exhaustively with the causes which affect the rate of interest, with the appreciation and depreciation of stocks and shares, the reasons of these fluctuations, and the probability of their recurrence from time to time; and without attempting the *role* of a prophet, the essayist might devote his attention to the question of the rate of interest likely to prevail in the future."

CONFEDERATION LIFE ASSOCIATION.

To combine an increase in new business with a decrease in expense ratio is no mean record to achieve during 1906. The Confederation Life is able to announce such a showing, and its favourable thirty-fifth annual statement, as given on another page, will be studied with special interest on that account. The amount of new insurance written in Canada, as well as the total new business written, exceeds that of any previous year. The amount of insurance in force now stands at \$45,119,516, a gain over 1905 of \$2,619,166.

Among the other gains for the year, the following may be noted:

| | 1905 | 1906. | Increase over 1905. |
|--------------------|------------|------------|------------------------|
| Assets | 11,100,079 | 11,944,416 | 844,337 |
| Premium income .. | 1,300,054 | 1,521,297 | 221,243 |
| Total income .. . | 1,861,792 | 2,137,051 | 275,259 |
| Cash surplus | 700,499 | 836,271 | 135,772 |

Were the present Government standard of valuation adopted the surplus above shown would be over \$1,200,000, the report of the company's actuary, Mr. W. C. Macdonald, showing over two-thirds of the business in force to be upon either a 3 or a 3½ p.c. valuation basis.

One of the interesting features of the company's progress during the year was the extending of operations into Great Britain where organization has already been well begun. The sound views and business methods characteristic of the company's Managing Director, Mr. J. K. Macdonald, are well calculated to inspire the confidence of the British insuring public. To keep up with the company's general growth, home office quarters are shortly to be enlarged by the erection of an additional building.

The death of Sir William Howland called for the justly appreciative comment of the report upon his long connection with the association as its president. To fill the vacancy thus created Mr. John Macdonald has been elected to the board, Mr. W. H. Beatty being appointed president.

FIRST REPORT OF SOVEREIGN FIRE.

The first annual statement of a fire insurance company is naturally awaited with somewhat special interest. That of the Sovereign Fire as published this week, shows the company at the end of its first seven months of business to have assets of \$133,628, and a surplus to policy-holders of \$109,560. In addition the statement mentions contingent assets of \$256,033 consisting of subscriptions to the company's capital stock now in process of collection but not yet due. By act of corporation the whole of this is required to be paid in within three years from time of subscription. It is evident, therefore, that the protection to policy-holders afforded by the company is to be amply sufficient. The directors announce the conservative stand that during the earlier years of the company's history they deem it wise to have all investments confined to choice municipal securities purchased to yield the most satisfactory possible rates of interest. The fire losses of the year amounted at 31st December, to less than 4½ p.c. of the net premium income received since the beginning of business by the company. Under the energetic and experienced management of Mr. H. S. Wilson, the directors look for a successful career for The Sovereign Fire Assurance Company of Canada.

LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY.

About a year ago Sir Alexander Lacoste retired from the directorate of this company owing to Government restrictions, but now that he has resigned from the Bench, these restrictions are removed and he has been re-appointed a director. The Board now consists of—E. S. Clouston, Esq., chairman; George E. Drummond, Esq., F. W. Thompson, Esq., James Crathern, Esq., and Sir Alexander Lacoste. Mr. James William Binnie, who for some years has been chief clerk, has been promoted to the position of assistant deputy manager of the company.